

**REPORT OF THE AUDIT OF THE
TRIMBLE COUNTY
SHERIFF**

**For The Year Ended
December 31, 2001**



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AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Paul E. Patton, Governor
T. Kevin Flanery, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Ray Clem, County Judge/Executive
Honorable Denny Long, Trimble County Sheriff
Members of the Trimble County Fiscal Court

The enclosed report prepared by Stephens & Lawson, P.S.C., Certified Public Accountants, presents the statement of receipts, disbursements, and excess fees of the Sheriff of Trimble County, Kentucky, for the year ended December 31, 2001.

We engaged Stephens & Lawson, P.S.C., to perform the financial audit of this statement. We worked closely with the firm during our report review process; Stephens & Lawson, P.S.C., evaluated the Trimble County Sheriff's internal controls and compliance with applicable laws and regulations.

Respectfully submitted,

A handwritten signature in cursive script, reading "Ed Hatchett".

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Enclosure



EXECUTIVE SUMMARY

TRIMBLE COUNTY DENNY LONG, SHERIFF CALENDAR YEAR 2001 FEE AUDIT

The Trimble County Sheriff's 2001 fee audit was contracted to Stephens & Lawson, PSC through a request for proposal (RFP). We have issued an unqualified opinion on the financial statement taken as a whole. Based upon the audit work performed, the financial statement is presented fairly in all material respects.

Financial Condition:

Excess fees decreased by \$27,347 from the prior calendar year, resulting in excess fees of \$1,718 as of December 31, 2001. Revenue increased by \$242 from the prior year and disbursements increased by \$27,589.

Deposits:

The Sheriff's deposits were insured and collateralized by bank securities or bonds.

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TRIMBLE COUNTY
DENNY LONG, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

Calendar Year 2001

Receipts

KLEFPF		\$ 6,542
State Fees For Services:		
Finance and Administration Cabinet		5,855
Circuit Court Clerk -		
Sheriff Security Services	\$ 2,115	
Fines and Fees Collected	<u>2,330</u>	4,445
Fiscal Court		1,549
County Clerk - Delinquent Taxes		177
Commission on Taxes Collected		99,708
Fees Collected For Services -		
Accident and Police Reports	\$ 3	
Auto Inspections	3,890	
Carrying Concealed Deadly Weapon Permits	4,665	
Serving Papers	<u>1,191</u>	9,749
Other -		
Sheriff Add-on Fee	\$ 15,011	
Reimbursement	<u>873</u>	15,884
Interest Earned		<u>3,405</u>
Total Receipts		\$ 147,314

The accompanying notes are an integral part of the financial statement.

TRIMBLE COUNTY
DENNY LONG, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
Calendar Year 2001
(CONTINUED)

Disbursements

Operating Disbursements -

Personnel Services -

Deputies' Gross Salaries	\$ 54,920	
Other Salaries	4,222	
KLEFPF	<u>6,203</u>	\$ 65,345

Employee Benefits -

Employer's Share Retirement		338
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Contracted Services -

Radio Repair		619
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Supplies and Materials -

Office Materials and Supplies	\$ 1,145	
Uniforms and Equipment	<u>1,918</u>	3,063

Auto Expense -

Gasoline	\$ 3,961	
Maintenance and Repairs	<u>5,774</u>	9,735

Other Charges -

Cellular Phone	\$ 1,060	
Dues	300	
Postage	2,039	
School Interest	1,657	
Prisoner Pickup	1,213	
Carrying Concealed Deadly Weapon Permits	3,125	
Bond	100	
Training	<u>280</u>	<u>9,774</u>

Total Disbursements		<u>\$ 88,874</u>
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Net Receipts		\$ 58,440
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Less: Statutory Maximum		<u>56,722</u>
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Excess Fees Due County for Calendar Year 2001		\$ 1,718
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Payment to County Treasurer - May 16, 2002		<u>1,718</u>
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Balance Due at Completion of Audit		<u><u>\$ -</u></u>
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The accompanying notes are an integral part of the financial statement.

TRIMBLE COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

The financial statement has been prepared on a modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, certain receipts and certain expenditures are recognized as a result of accrual at December 31, 2001.

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

NOTE 2 - EMPLOYEE RETIREMENT SYSTEM

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system that covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.17 percent for the first six months of the year and the 6.41 for the last six months of the year. Hazardous covered employees are required to contribute 8.0 percent of their salary to the plan. The county's contribution rate for hazardous employees was 16.78 percent for the first six months and 16.28 percent for the last six months of the calendar year.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report which is a matter of public record.

TRIMBLE COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2001

(CONTINUED)

NOTE 3 - DEPOSITS

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 2001, the Sheriff's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the Sheriff's agent in the Sheriff's name, or provided surety bond which named the Sheriff as beneficiary/obligee on the bond.

**REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

